



Norway's Leading Satellite Operator Selects Harmonic for Service Expansion; IP-Based DiviCom(R) Encoders and DiviTrackIP(TM) Statistical Multiplexing Increase Efficiency and Scalability for Telenor's DTH Service

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AMSTERDAM, The Netherlands--(BUSINESS WIRE)--Sept. 8, 2006--Harmonic Inc. (NASDAQ:HLIT) today announced that Telenor Satellite Broadcasting, a fully owned subsidiary of Telenor ASA (NASDAQ:TELN), is upgrading and expanding its network with new satellite uplinks powered by Harmonic's IP-based headend solutions. The new systems include the high density, high performance DiviCom(R) Electra(TM) 5000 encoders, DiviTrackIP(TM) distributed statistical multiplexing and the ProStream(TM) 1000 with ProCipher(TM) technology. In addition, Harmonic and Telenor have signed a frame purchase agreement for future sales of Harmonic products and services to Telenor.

Canal Digital, a 100 percent owned subsidiary of Telenor, is the leading direct-to-home (DTH) satellite operator in the Nordic region, broadcasting more than 200 channels to more than one million households. As part of its plans to upgrade and grow its DTH service, Telenor turned to IP-based technology from Harmonic for its new uplinks. For operators of all types -- satellite, cable, telco and terrestrial -- using native IP systems in the video network provides numerous advantages including greater cost-effectiveness, flexibility, scalability and ease of management.

"Telenor is in a phase where old systems need replacement at the same time as we are expanding our encoding and multiplexing capacities. In the light of the recent technology developments, it became clear to us that the transition to an IP-based headend infrastructure made perfect sense," said Torkel Aamodt Thoresen, Technical Product Manager in Telenor Satellite Broadcasting. "Harmonic's advanced DiviCom encoders and DiviTrackIP distributed statistical multiplexing will give us the flexibility we need. The ProStream 1000 easily supports our advanced remultiplexing and network adaptation requirements, and the Harmonic systems are fully integrated with the conditional access system we use in our network. On top of those benefits, the Harmonic solution, with an open and highly scalable architecture, has plenty of room to grow as we add more channels in the future."

"Telenor and other satellite operators are recognizing the importance of an IP-based architecture as they build their next-generation networks," said Shahar Bar, Director of Satellite and Broadcast Solutions for Harmonic Inc. "The multi-service and multi-codec capabilities of the DiviCom Electra 5000 encoders provide a new level of flexibility for Telenor, allowing them to utilize the established MPEG-2 technology now and upgrade to MPEG-4 AVC encoding in the future, or add low resolution video for more interactive applications such as picture-in-picture. This versatility and performance, combined with the additional bandwidth efficiencies gained using DiviTrackIP statistical multiplexing, improves bit-rate efficiency and consequently helps maximize service carrying capacity."

Installation of the Harmonic-based systems at Telenor is being performed in conjunction with Danmon, a Harmonic partner and leading distributor of video and audio products in the region.

About Telenor Group

Telenor is one of the largest mobile operators worldwide with ownership interests in 12 mobile operators across Europe and Asia, constituting a total subscriber base of 82.7 million at year-end 2005.

Telenor is Norway's largest telecommunications company and one of the fastest growing providers of mobile communications services worldwide. Telenor is also the largest provider of TV services in the Nordic region. In 2005, 57% of the Group's revenues were derived from the mobile operations. Telenor has mobile operations in some of the world's fastest growing markets, and the home market, Norway, is one of the most advanced in the world today. Visit www.telenor.com for more information.

Telenor Satellite Broadcasting provides extensive television broadcasting services for distribution, contribution and occasional applications to Canal Digital, all the Nordic Broadcasters and many other broadcasters throughout Europe, using its hybrid network comprising of three satellites, terrestrial circuits, two international teleports and four remote earth stations. Additionally, it provides fixed satellite communication and uplinking services for data and remote Internet applications together with VSAT and broadband services in Europe and the Middle East. Visit www.telenorsbc.com for more information.

About Harmonic Inc.

Harmonic Inc. is a leading provider of digital video, broadband optical networking and IP delivery systems to cable, satellite, telecom and broadcast network operators. Harmonic's open standards-based solutions for the headend through the last mile enable customers to develop new revenue sources and a competitive advantage by offering powerful interactive video, voice and data services such as video-on-demand, high definition digital television, telephony and Internet access.

Harmonic (NASDAQ:HLIT) is headquartered in Sunnyvale, California with R&D, sales and system integration centers worldwide. The Company's customers, including many of the world's largest communications providers, deliver services in virtually every country. Visit www.harmonicinc.com for more information.

This press release contains forward-looking statements within the meaning of Section 27(A) of the Securities Act of 1933 and Section 21(E) of the Securities Exchange Act of 1934, including statements related to: future sales of Harmonic products and services, plans to upgrade and grow Telenor's DTH service, Harmonic's products giving Telenor the flexibility it needs, adding more channels in the future, upgrading to MPEG-4 AVC encoding in the future, and adding low resolution video.

Our expectations and beliefs regarding these matters may not materialize, and actual results could differ materially from those projected. The forward-

looking statements contained in this press release are also subject to other risks and uncertainties, including those more fully described in Harmonic's filings with the Securities and Exchange Commission including its recent Reports filed on Form 10-K and Form 10-Q. Harmonic does not undertake to update any forward-looking statements.

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